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December 6, 2002

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**Re: Docket 3445: Response to Conversent Objection and Opposition  
to Motion for Extension of Schedule**

Dear Ms. Massaro:

Verizon New England Inc., d/b/a Verizon Rhode Island (“Verizon RI” or “Company”) submits this response to Conversent Communications of Rhode Island’s Objection to Exclusion from Post-Hearing Settlement Negotiations and Letter Motion for Extension of Schedule. Verizon RI agrees that the issues raised in this proceeding are important. However, in its efforts to secure further, unnecessary delay in the resolution of this matter, Conversent minimizes the significance of the extensive proceedings the Commission has already conducted and the substantial record which the Commission has already assembled in its review of the proposed Alternative Regulation Plan filed by Verizon RI on July 1, 2002. The Commission specifically requested that Verizon RI file its proposed plan at that time to ensure that the Commission had sufficient time to investigate and put in place a new plan prior to the expiration of the currently effective Price Regulation Successor Plan on December 31, 2002. Verizon RI has requested that the Commission grant the Company increased pricing flexibility so that it can price its intrastate telecommunications services in response to the competitive market conditions that exist in the state and have an opportunity to compete fully with other telecommunications carriers in Rhode Island that already enjoy such pricing flexibility, such as Conversent and Cox Communications.

Since July 1, 2002, all of the parties to this proceeding have had a full and fair opportunity to present testimony and evidence, conduct discovery, and to cross-examine witnesses. Among other things, the Commission conducted four days of evidentiary hearings in which various parties, including Conversent, presented their witnesses and had an opportunity to cross examine those presented by other parties. *See Conversent Letter Motion* at 1. The Commission also received significant public comment, much of which focused on the future of funding for internet access for K-12 schools and libraries.

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In the course of the hearings, the Commission expressed its hope that the parties could reach a negotiated resolution of the issues in dispute. Verizon RI made it clear that it was willing to pursue a negotiated solution, but cautioned the Commission during the hearings that given the positions taken by certain parties, it was unlikely that the Company would be able to reach a negotiated settlement with all of the parties. In any event, there is no legal or other requirement that all parties to a proceeding engage in negotiations. Such negotiations typically occur where there is a reasonable prospect that the participating parties may achieve a mutually acceptable resolution of disputed issues. Therefore, while it would be ideal if all of the parties to this proceeding could have reached a mutually acceptable agreement, there is no requirement that they do so. Indeed, the Commission rules regarding settlements specifically contemplates that fewer than all of the parties to a proceeding may propose a settlement and that the Commission may adopt such a settlement over the objection of other parties if the Commission determines, based on evidence in the record, that the proposed settlement is reasonable. *See Commission Rules of Practice and Procedure*, Section 1.24(b).

Verizon RI and the Division have worked hard to reach a reasonable settlement of the disputed issues in this case that is fair, consistent with the public interest and in accordance with law and regulatory policy. The compromises on disputed issues contained in the proposed settlement fall squarely within the evidentiary record presented and do not include any new issues that have not already been addressed by the parties and their respective experts in testimony or at the hearings. In addition, there is substantial evidence in the record of this proceeding fully informing the Commission of relevant factual and legal issues relating to the proposed settlement. Thus, there is no reason why additional expert testimony should be required to review the proposed settlement.

The Commission's current procedural schedule provides that all parties may file briefs to address any disputed issues raised in the extensive record in this case, including the settlement proposal filed by Verizon RI and the Division. These briefs will supplement the substantial information which the Commission has been reviewing since July 1, 2002. Thus, Conversent has provided no reason why the Commission should delay the resolution of this proceeding by an additional thirty (30) days. The current schedule will also assure that a decision on a new plan can be made prior to the expiration of the existing PRSP as contemplated by the Commission.

For all of the forgoing reasons, Verizon RI respectfully requests that the Commission maintain its current procedural schedule in this docket and deny Conversent's Motion for Extension of Schedule.

Sincerely,

Keefe B. Clemons

Enclosures

cc: Service List-Docket No. 3445